

# THE EDUCATION ENDOWMENT AND SAVINGS SCHEMES



S. 120 of 2016

Presented to Parliament pursuant to Statute.

Ordered by Parliament to lie upon the Table:

07 September 2016



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# THE EDUCATION ENDOWMENT AND SAVINGS SCHEMES ACT

- 1 The Education Endowment Scheme Act (CAP 87A) was enacted in January 1993 to establish the Education Endowment Scheme, commonly known as the Edusave Scheme. The Edusave Endowment Fund and Edusave Pupils Fund were established under this Scheme. The Edusave Scheme aims to enhance the quality of education in Singapore and to level up educational opportunities for all Singapore Citizen children. Income generated by the Edusave Endowment Fund is used to fund contributions to the Edusave Pupils Fund and other programmes to motivate children to excel in both academic and non-academic areas. An Edusave Pupils Fund account, commonly known as “Edusave account”, is opened automatically for each eligible Singapore Citizen child.
- 2 In January 2008, the Act was amended to incorporate the Post-Secondary Education (PSE) Scheme to promote savings for post-secondary education and the title was changed to Education Endowment and Savings Schemes Act. The PSE Fund was established under this Scheme. Under the Scheme, balances in the Child Development Accounts and Edusave accounts will be transferred to their PSE accounts at the relevant age. The PSE Fund may also receive other grants from the Government.

## EDUSAVE ADVISORY COUNCIL

- 1 The Edusave Advisory Council was established under Section 10(1) of the Education Endowment and Savings Schemes Act (CAP 87A, 2009 Revised Edition) for the purpose of advising the Minister for Education on the application of the income of the Edusave Endowment Fund. Each Council is appointed for a two-year term and comprises members who are prominent businessmen and experienced educators.
- 2 The current Council which was appointed in January 2015 comprises:

Chairman: **Mr Peter Lee Hwai Kiat**  
*Chief Financial Officer*  
OSIM International Ltd

Members: **Dr Alex Siow Yuen Khon**  
*Director*  
Strategic Technology Management Institute

**Assoc Prof Susheela A Varghese**  
*Corporate Communication*  
Singapore Management University

**Mdm Ng Wie Pin**  
*Principal*  
Anderson Primary School

**Mr Khoo Tse Horng**  
*Principal*  
St. Hilda's Secondary School

## EXECUTIVE SUMMARY

### EDUSAVE ENDOWMENT FUND

- 1 The Edusave Endowment Fund was established in January 1993 by a transfer of funds from the Government's Consolidated Revenue Account. It reached the targeted capital sum of \$5 billion in August 1997, and received top-ups of \$200 million in FY 2012 and \$300 million in FY 2013, which brought the capital sum to \$5.5 billion.
- 2 The Edusave Endowment Fund is invested by the Government. Prior to FY 2013, the interest rate was pegged to the 12-month average yield of ten-year Singapore Government Securities plus one percentage point. Since FY 2013, the Government has set the interest rate for the Fund at 4% per annum. The interest earned each year is used to fund the disbursements under the Edusave Scheme in the next year.
- 3 During the financial year, the Fund received a total income of \$285.7 million, of which \$295.0 million was disbursed. As at 31 March 2016, the balance in the Edusave Endowment Fund was \$6.5 billion, which included \$1.0 billion in accumulated surplus.

### EDUSAVE PUPILS FUND

- 4 The Edusave Pupils Fund was established in January 1993. It comprises annual contributions and one-off grants paid into the Edusave accounts of eligible Singapore Citizen students in MOE-funded schools. From FY 2014, contribution was extended to all Singapore Citizen children aged 7 to 16 who are not studying in MOE-funded schools. With this extension, the Edusave balances of members will be transferred to their Post-Secondary Education accounts in the year they turn 17 years old and are not studying in a MOE-funded school.
- 5 During the financial year, \$150.2 million was paid into Edusave accounts including a Government top-up of \$150 each to all Singapore Citizen children eligible for Edusave Contribution in 2015, \$68.2 million withdrawn for approved fees and charges, and \$20.5 million transferred to the PSE Fund. As at 31 March 2016, the balance in the Edusave Pupils Fund was \$302.5 million.

## POST-SECONDARY EDUCATION FUND

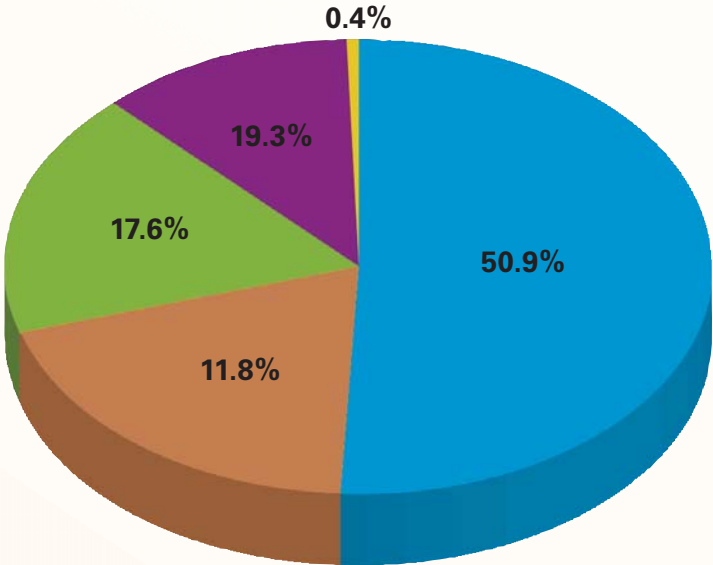
- 6 The Post-Secondary Education (PSE) Fund was established in January 2008 to help parents save for their Singapore Citizen children's post-secondary education. The balances from the Child Development Accounts (CDA) and from the Edusave accounts are transferred to the PSE accounts at the relevant ages. Children eligible for co-savings arrangements under the Child Development Co-Savings Act can continue to contribute to their PSE accounts and receive matching grants from the Government until the prescribed contribution cap is reached, or when the children turn 18 years, whichever is earlier. The PSE Fund may also receive other grants from the Government and the Fund may be used by the members or their siblings to pay for fees and charges in approved institutions.
  
- 7 During the financial year, the PSE Fund received \$0.1 million transferred from the CDA, \$20.5 million transferred from the Edusave accounts. Another \$79.5 million was paid to the PSE accounts of eligible Singaporeans between the ages of 17 and 20 under the 2015 Government top-up. Under the National Service Housing, Medical and Education (NS HOME) Award Scheme announced by the Government in August 2010, a \$67.4 million government grant was paid to eligible national servicemen. An amount of \$94.8 million was withdrawn for fees and charges at approved institutions during the financial year. As at 31 March 2016, the balance in the PSE Fund was \$1.5 billion.

## EDUSAVE ENDOWMENT FUND

- 1 The Edusave Endowment Fund was established in January 1993 by a transfer of funds from the Government's Consolidated Revenue Account. It reached the targeted capital sum of \$5 billion in August 1997, and received top-ups of \$200 million in FY 2012 and \$300 million in FY 2013, which brought the capital sum to \$5.5 billion.
- 2 The Edusave Endowment Fund is invested by the Government. Prior to FY 2013, the interest rate was pegged to the 12-month average yield of ten-year Singapore Government Securities plus one percentage point. Since FY 2013, the Government has set the interest rate for the Fund at 4% per annum. The interest earned each year is used to fund the disbursements under the Edusave Scheme in the next year.
- 3 During the financial year, the Fund earned an interest income of \$259.1 million. It received another \$24.8 million from the recovery of unutilised Opportunity Fund grants which lapsed at the end of the three-year cycle, and \$1.8 million from the recovery of Edusave grants from schools and institutions which had unutilised balances exceeding of the allocation for 2015. The total income was \$285.7 million, of which \$295.0 million was disbursed during the financial year.

4 The income from the Fund is used to fund annual contributions and one-off grants to the Edusave accounts of eligible children, Edusave grants and Opportunity Fund grants to schools and institutions, Edusave awards to students, and administrative costs. Chart-1 shows the distribution of the amount disbursed during the financial year.

**Chart-1: Distribution of Amount Disbursed in Financial Year 2015**



- Pupils Fund \$150.2m
- Edusave Grants \$34.8m
- Opportunity Fund \$51.9m
- Edusave Awards \$57.0m
- Development & Operating Cost \$1.1m

Total Amount Disbursed = \$295.0 million

5 As at 31 March 2016, the balance in the Edusave Endowment Fund was \$6.5 billion, which included \$1.0 billion in accumulated surplus.



## EDUSAVE PUPILS FUND

- 1 The Edusave Pupils Fund was established in January 1993. It comprises annual contributions and one-off grants paid into the Edusave accounts of Singapore Citizen students at primary and secondary levels in MOE-funded schools. From FY 2014, contribution was extended to all Singapore Citizen children aged 7 to 16 who are not studying in MOE-funded schools. The Edusave Pupils Fund Scheme is administered by the Ministry of Education and the Fund is invested by the Central Provident Fund Board. The Edusave Pupils Fund earns an interest rate pegged to the Central Provident Fund Ordinary Account rate, and interest earned is used to pay members at the same rate. The interest rate was 2.5% for FY 2015. During the financial year, the Fund earned an interest income of \$5.6 million and \$5.0 million was paid to members, leaving a surplus of \$0.6 million.
- 2 In 2016, the contribution rates were maintained at \$200 for primary level and \$240 for secondary level. In addition, all Singapore Citizen children eligible for Edusave Contribution in 2015 were given a one-off top-up of \$150 each in September 2015. During the financial year, \$150.2 million was paid into the 392,999 accounts of Edusave members.
- 3 The students in MOE-funded schools may use their Edusave accounts to pay for approved fees and school-based enrichment programme charges. Singapore Citizen children not studying in MOE-funded schools may use their Edusave accounts to pay for approved enrichment programme charges. From April 2008, the Edusave balances of members are transferred to their Post-Secondary Education (PSE) accounts in the year they turn 17 years old and are not studying in a MOE-funded school. During the financial year, \$68.2 million was withdrawn, of which \$30.3 million (44.4%) was for approved fees and \$37.9 million (55.6%) for enrichment programme charges. Another \$20.5 million was transferred to the PSE accounts of 45,417 members.
- 4 As at 31 March 2016, the balance in the Edusave Pupils Fund was \$302.5 million.

## EDUSAVE GRANTS

- 1 Edusave grants are given to all the Government and Government-aided schools, junior colleges and centralised institute; independent schools and institutions; specialised schools and the Government-supported special education schools; and the Institute of Technical Education (ITE). The schools and institutions use the grants to procure resources and equipment or to subsidise programmes that enhance the quality of teaching and learning.
- 2 In 2016, the grant rates were maintained at \$50 per student for primary level, \$90 for secondary level, \$120 for pre-university level and \$100 for ITE. To incentivise schools and institutions to use the grants to benefit the current cohort of students, from 2013, unutilised grants exceeding 50% of the annual allocation will be recovered in December of the year. During the financial year, \$34.8 million was disbursed and \$1.8 million recovered from the schools and institutions.

## OPPORTUNITY FUND GRANTS

- 1 Since 2006, Opportunity Fund grants have been given to all the Government and Government-aided schools, junior colleges and centralised institute; independent schools and institutions; specialised schools and Government-supported special education schools; and the Institute of Technical Education (ITE). The Opportunity Fund was extended to polytechnics from 2013. The schools and institutions use the grants to level up co-curricular development opportunities for Singapore Citizen students from low income households.
- 2 Opportunity Fund grants for each three-year cycle are disbursed in two tranches. For the grant from 2016 – 2018, the first tranche of \$51.9 million was disbursed in January 2016 to all institutions based on 70% of the three-year cycle of the allocation framework. \$24.8 million was recovered in December 2015 from schools and polytechnics which had balances from the previous three-year allocation.

# EDUSAVE SCHOLARSHIPS FOR GOVERNMENT AND GOVERNMENT-AIDED PRIMARY AND SECONDARY SCHOOLS

- 1 Edusave scholarships are given to encourage Singapore Citizen students to excel in their studies. Singapore Citizen students in the top 10% of each level in Primary 5 and 6 and all the secondary levels in the Government and Government-aided schools are eligible for Edusave Scholarships for Primary Schools (ESPS) and Secondary Schools (ESSS) Schemes respectively.
- 2 For both schemes, the scholarships are school-based. School principals select awardees from all streams in each level based on the students' academic performance and subject to good conduct. Table-1 shows the breakdown of the scholarship value by level:

**Table-1: Value of Edusave Scholarships by Level**

Level	\$
Primary	350
Secondary	500

- 3 In 2015, 6,264 Singapore Citizen students were awarded the ESPS and 13,638 the ESSS at a total value of \$9.0 million. Table-2 shows the breakdown of awardees by level:

**Table-2: Breakdown of Edusave Scholarship Awardees by Level**

Level	No.	\$m
Primary	6,264	2.2
Secondary	13,638	6.8
<b>Total</b>	<b>19,902</b>	<b>9.0</b>

## EDUSAVE SCHOLARSHIPS FOR INDEPENDENT SCHOOLS

- 1 Edusave scholarships are given to Singapore Citizen students studying in independent schools. The Edusave Entrance Scholarships for Independent Schools (EESIS) are awarded to students in the top one-third of Singapore Citizen students enrolled in Secondary one in the independent schools. Selection is based on the Primary School Leaving Examination (PSLE) results. For EESIS awarded up to 2007, the annual quantum of the award was the school fees charged by the independent school less the amount of school and standard miscellaneous fees that the awardee would have to pay if he was in a Government or Government-aided school or junior college. For EESIS awarded from 2008, the annual quantum is \$2,400 or the annual school fees less the amount of school and standard miscellaneous fees payable by pupils in Government or Government-aided schools, whichever is lower. The scholarship is tenable for the duration of the scholar's education in the independent school.
- 2 The Edusave Scholarships for Integrated Programme (ESIP) are for students who join the Integrated Programme at entry points beyond Secondary one. The selection is based on either the PSLE or the Integrated Programme Scholarship Test results. The quantum of the ESIP is the same as that for the EESIS, and capped for ESIP awarded from 2008. The scholarship is tenable for the duration of the scholar's Integrated Programme course.
- 3 Students in independent schools who are not EESIS and ESIP holders are eligible for the Edusave (Independent Schools) Yearly Award (E(IS)YA) if they are among the top 5% students in each level in the school. The value of E(IS)YA is the same as the annual value of the EESIS, and capped for awards given out from 2008.
- 4 During the financial year, \$19.5 million was disbursed to Edusave scholars in the independent schools and junior colleges. Table-3 shows the breakdown of awardees by scheme and level:

**Table-3: Breakdown of Edusave Scholarship Awardees by Scheme and Level**

Level	EESIS		ESIP		E(IS)YA		Total	
	No.	\$m	No.	\$m	No.	\$m	No.	\$m
Secondary	4,836	10.6	241	0.5	214	0.4	5,291	11.5
Junior College	2,481	4.7	1,482	3.2	38	0.1	4,001	8.0
<b>Total</b>	<b>7,317</b>	<b>15.3</b>	<b>1,723</b>	<b>3.7</b>	<b>252</b>	<b>0.5</b>	<b>9,292</b>	<b>19.5</b>

## EDUSAVE MERIT BURSARIES

- 1 The Edusave Merit Bursary (EMB) Scheme aims to give Singapore Citizen students from modest home background in all Government and Government-aided schools, junior colleges and centralised institute; independent schools and institutions; specialised schools and the Institute of Technical Education (ITE) an incentive to perform well.
- 2 The EMB Scheme is school-based. All Singapore Citizen students who are in the top 25% within each level and stream and meet the gross household income criterion are eligible for EMB unless they are recipients of Edusave scholarships or other Ministry of Education scholarship awards. In 2015, the gross household income limit was revised to \$6,000, and a per capita income criterion of \$1,500 introduced to benefit students from bigger households. School principals select eligible students from all streams in each level based on academic performance and subject to good conduct, and invite them to apply for the award if they meet the income criterion. Table-4 shows the breakdown of the bursary value by level.

**Table-4: Value of Edusave Merit Bursaries by Level**

Level	\$
Primary 1 to 3	200
Primary 4 to 6	250
Secondary	350
Pre-University	400
Institute of Technical Education	500

- 3 In 2015, 27,868 students were awarded the EMB at a total value of \$8.9 million. Table-5 shows the breakdown of awardees by level:

**Table-5: Breakdown of Edusave Merit Bursary Awardees by Level**

Level	No.	\$m
Primary	10,949	2.4
Secondary	11,418	3.9
Pre-University	1,791	0.7
Institute of Technical Education	3,710	1.9
<b>Total</b>	<b>27,868</b>	<b>8.9</b>

## COMMUNITY EDUCATION AWARD SCHEME

- 4 Singapore Citizen students in Government and Government-aided schools, junior colleges and centralised institute; independent schools and institutions; and specialised schools who do not qualify for any Edusave scholarship, bursary or other awards and are in need of financial assistance for their education may apply for Constituency Bursaries established by the Citizens' Consultative Committees under the Community Education Award Scheme. Under this Scheme, the Edusave Endowment Fund co-funds 85% of the Constituency Bursaries paid to the students, subject to a cap of 15% of the total value of the EMB disbursed in the previous year.
- 5 During the financial year, an amount of \$0.8 million was disbursed through the People's Association to the Citizens' Consultative Committees as co-funding for the Constituency Bursaries.

## EDUSAVE GOOD PROGRESS AWARDS

- 1 The Edusave Good Progress Awards (GPA) are given to Singapore Citizen students in Government and Government-aided primary (except those in Primary 1) and secondary schools, junior colleges and centralised institute; independent schools and institutions; specialised schools and the Institute of Technical Education (ITE) who have made significant improvement in their academic performance. Students who are recipients of Edusave scholarships or bursaries or other Ministry of Education scholarships or bursaries are not eligible for this award. The GPA is co-funded by the People's Association, which bears 10% of the amount paid.
- 2 The school-based awards are given to a maximum of 10% of students from all streams in each level. Selection is by comparing the year-end school examination results against those of the previous year. Table-6 shows the breakdown of award value by level:

**Table-6: Value of Edusave Good Progress Awards by Level**

Level	\$
Primary 2 to 3	100
Primary 4 to 6	150
Secondary	200
Pre-University	250
Institute of Technical Education	400

- 3 In 2015, 30,594 students were awarded the GPA at a total value of \$5.6 million. Of this, \$0.6 million was co-funded by the People's Association. Table-7 shows the breakdown of awardees by level.

**Table-7: Breakdown of Edusave Good Progress Awards by Level**

Level	No.	\$m
Primary	14,569	1.9
Secondary	12,139	2.4
Pre-University	1,893	0.5
Institute of Technical Education	1,993	0.8
<b>Total</b>	<b>30,594</b>	<b>5.6</b>



## EDUSAVE AWARDS FOR ACHIEVEMENT, GOOD LEADERSHIP AND SERVICE

- 1 The Edusave Awards for Achievement, Good Leadership and Service (EAGLES) are given to Singapore Citizen students in the Government and Government-aided schools, junior colleges and centralised institute; independent schools and institutions; specialised schools and the Institute of Technical Education (ITE) to encourage them to excel in non-academic areas. The awards recognise students' leadership quality, service to community and schools, and excellence in non-academic activities.
- 2 In 2012, the number of the school-based awards was increased from 5% to a maximum of 10% of the Singapore Citizen students from Primary 4 to 6 in each primary school, and at all levels in the other schools and institutions. The award value was also increased in line with the Ministry's emphasis on holistic education and non-academic achievements. Students who are recipients of Edusave scholarships or bursaries or other Ministry of Education scholarships or bursaries are also eligible for this award. Table-8 shows the value of the awards by level.

**Table-8: Value of Edusave Awards for Achievement, Good Leadership And Service by Level**

Level	\$
Primary 4 to 6	250
Secondary	350
Pre-University	400
Institute of Technical Education	500

- 3 In 2015, 30,290 students were awarded the EAGLES at a total value of \$10.2 million. Table-9 shows the breakdown of awardees by level.

**Table-9: Breakdown of Edusave Awardees for Achievement, Good Leadership And Service by Level**

Level	No.	\$m
Primary	9,592	2.4
Secondary	15,341	5.4
Pre-University	2,620	1.0
Institute of Technical Education	2,737	1.4
<b>Total</b>	<b>30,290</b>	<b>10.2</b>

## EDUSAVE CHARACTER AWARDS

- 1 The Edusave Character Award (ECHA) was introduced in 2012 in line with the Ministry's emphasis on values-driven education. The awards are given to Singapore Citizen students in Government and Government-aided schools, junior colleges and centralised institute; independent schools and institutions; specialised schools and the Institute of Technical Education (ITE) to recognise students who demonstrate exemplary values and civic responsibility through their behaviour and actions.
- 2 The school-based awards are given to a maximum of 2% of the Singapore Citizen students from all streams in each level. Table-10 shows the value of the awards by level.

**Table-10: Value of Edusave Character Awards by Level**

Level	\$
Primary 1 to 3	200
Primary 4 to 6	350
Secondary	500
Pre-University	500
Institute of Technical Education	500

- 3 In 2015, 8,139 students were awarded the ECHA at a total value of \$3.3 million. Table-11 shows the breakdown of awardees by level.

**Table-11: Breakdown of Edusave Character Awardees by Level**

Level	No.	\$m
Primary	3,938	1.2
Secondary	3,137	1.6
Pre-University	516	0.2
Institute of Technical Education	548	0.3
<b>Total</b>	<b>8,139</b>	<b>3.3</b>

## ACHIEVEMENT AWARDS FOR SPECIAL EDUCATION STUDENTS

- 1 The Achievement Award for Special Education Students (AASPEDS) was introduced in 2010 to recognise the achievements and progress of Singapore Citizen students in the Government-supported special education schools and to motivate them to excel. An annual lump sum grant is given to each special education school based on \$100 per Singapore Citizen student to be used to disburse school-based AASPEDS each year.
- 2 The AASPEDS are given to Singapore Citizen students who meet the school-based criteria for the awards. The school-based criteria help schools to select students who best meet their school and student profiles. For example, schools for the hearing impaired could focus on the students' speech development whilst other schools focus on the students' development of vocational skills. Schools could also give awards based on their students' contribution to the school community, in areas such as leadership, exemplary behaviour, achievements in co-curricular activities or national events for persons with disabilities.
- 3 In 2015, 5,039 students were awarded AASPEDS at a total value of \$0.5 million.

## POST-SECONDARY EDUCATION FUND

- 1 The Post-Secondary Education (PSE) Fund was established in January 2008 to help parents save for their Singapore Citizen children's post-secondary education by maintaining a PSE account for each eligible child. Prior to 2012, the PSE Fund received the balances transferred from the CDA of those who attained the age of 7 years. From January 2013, the transfer was deferred till age 13 years to better support the development needs of children. For the transitional cohorts of children who were born between 2006 and 2012, the trustees may request to effect the transfer any time in the years when the children are between 7 and 12 years old. Children eligible for co-savings arrangements under the Child Development Co-Savings Act can continue to contribute to their PSE accounts and receive matching grants from the Government until the prescribed contribution cap is reached, or when the children turn 18 years, whichever is earlier. The PSE Fund also receives the balances transferred from the Edusave accounts of members in the year they turn 17 years old and are not studying in a MOE-funded school. The PSE Fund may also receive other grants from the Government.
- 2 The PSE Scheme is administered by the Ministry of Education and the PSE Fund is invested by the Central Provident Fund Board. The PSE Fund earns an interest rate pegged to the Central Provident Fund Ordinary Account rate, and interest earned is used to pay members at the same interest rate. The interest rate was 2.5% for FY 2015. During the financial year, the PSE Fund earned an interest income of \$34.8 million and \$34.7 million was paid to members.
- 3 During the financial year, the PSE Fund received \$0.1 million transferred from the CDA of 135 children, and another \$0.3 million contributed by eligible members with matching grants from the Government. It also received \$20.5 million transferred from the Edusave accounts of 45,417 members. Another \$79.5 million was paid to PSE accounts of 177,283 eligible Singaporeans between the ages of 17 and 20 under the 2015 Government top-up. Under the National Service Housing, Medical and Education (NS HOME) Award scheme announced by the Government in August 2010, the first tranche of the NS HOME Award payout would be paid to the PSE accounts of national servicemen. During the financial year, \$67.4 million was paid to the PSE accounts of 21,351 eligible national servicemen.
- 4 The PSE Fund may be used by the account holders or their siblings for approved courses in the publicly-funded universities and polytechnics; diploma and degree programmes in LaSalle College of the Arts and Nanyang Academy of Fine Arts which are subsidised by the Ministry of Education; and approved degree programmes in SIM University(UniSIM). Students in the Institute of Technical Education (ITE) may also use their PSE Fund or those of their siblings for approved fees and charges. In addition, the PSE Fund can be used for approved courses conducted by continuing education and training agencies accredited by the Singapore Workforce Development Agency (WDA). During the financial year, \$94.8 million was withdrawn by 232,603 members for fees and charges at approved institutions, and \$0.7 million transferred to the Central Provident Fund Ordinary Accounts of 202 members.
- 5 As at 31 March 2016, the balance in the PSE Fund was \$1.5 billion.

# EDUSAVE ENDOWMENT FUND

(A Fund established under the Education Endowment and Savings Schemes Act, Chapter 87A)

## FINANCIAL STATEMENTS

For the financial year ended 31 March 2016



# EDUSAVE ENDOWMENT FUND

(A Fund established under the Education Endowment and Savings Schemes Act, Chapter 87A)

## FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

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# STATEMENT BY MANAGEMENT

For the financial year ended 31 March 2016

In the opinion of Management, the accompanying financial statements as set out on pages 26 to 36 are drawn up in accordance with the provisions of the Education Endowment and Savings Schemes Act, Chapter 87A so as to give a true and fair view of the state of affairs of the Edusave Endowment Fund as at 31 March 2016 and the income and expenditure for the financial year ended 31 March 2016.



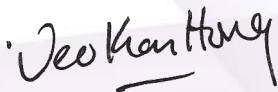
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**MS GOH WAN LEE**

*Director/Financial Schemes, Systems & Services*

MINISTRY OF EDUCATION

DATE: 09 MAY 2016



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**MR NEO KIAN HONG**

*Permanent Secretary/Education Development*

MINISTRY OF EDUCATION

DATE: 09 MAY 2016

# INDEPENDENT AUDITOR'S REPORT TO THE MANAGEMENT OF EDUSAVE ENDOWMENT FUND

For the financial year ended 31 March 2016

## Report on the Financial Statements

We have audited the accompanying financial statements of the Edusave Endowment Fund (the "Fund"), which comprise the balance sheet of the Fund as at 31 March 2016, and the income and expenditure statement for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 26 to 36.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Education Endowment and Savings Schemes Act, Chapter 87A (the "Act"), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition, and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair income and expenditure statements and balance sheets and to maintain accountability of assets.

The Edusave Endowment Fund's policy is to prepare the financial statements on the cash receipts and disbursement basis. On this basis, revenue is recognised when received rather than when earned and expenses are recognised when paid rather than when incurred.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act so as to give a true and fair view of the state of affairs of the Fund as at 31 March 2016 and the results of the Fund for the financial year ended on that date.

**Report on Other Legal and Regulatory Requirements**

In our opinion, the accounting and other records required by the Act to be kept, including records of all assets by the Fund have been properly kept in accordance with the provisions of the Act; and the receipts, expenditure and investment of monies and the acquisition and disposal of assets on account of the Fund during the financial year have been in accordance with the provisions of the Act.



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**AUDIT ALLIANCE LLP**

*Public Accountants and Chartered Accountants*

SINGAPORE

DATE: 09 MAY 2016

# Balance Sheet

As at 31 March 2016

	Note	31 March 2016 S\$	31 March 2015 S\$
Capital fund	4	5,500,000,000	5,500,000,000
Accumulated surplus		969,415,268	978,691,712
<b>Total Fund and Surplus</b>		<b>6,469,415,268</b>	<b>6,478,691,712</b>
<b>Represented By:</b>			
Balance held by Accountant-General	5	6,469,415,268	6,478,691,712
<b>Total Assets</b>		<b>6,469,415,268</b>	<b>6,478,691,712</b>

# Income and Expenditure Statement

For the financial year ended 31 March 2016

	Note	FY 2015 S\$	FY 2014 S\$
<b>INCOME</b>			
Interest income	6	259,147,668	256,057,147
Recovery of unspent Opportunity Fund balances	7	24,751,751	-
Recovery of Edusave Grant Reserves	8	1,835,939	1,173,895
Recovery of unspent Edusave Grant for Information Communication Technology balances	9	-	273,704
		285,735,358	257,504,746
<b>EXPENDITURE</b>			
Contribution to Edusave Accounts	10	150,216,771	86,613,660
Edusave Scholarships	11	28,453,665	28,935,521
Edusave Merit Bursaries	12	9,696,575	9,356,907
Edusave Good Progress Awards	13	4,955,905	5,062,170
Edusave Awards for Achievement, Good Leadership and Service	14	10,145,000	10,330,900
Edusave Character Awards	15	3,259,100	3,271,250
Achievement Awards for Special Education Students	16	464,489	449,616
Edusave Grants	17	34,802,304	35,275,455
Opportunity Fund Grants	18	51,881,556	(900,727)
Development expenditure	19	36,647	958,963
Operating expenditure	19	1,099,790	887,986
		295,011,802	180,241,701
Surplus for the year		(9,276,444)	77,263,045
Accumulated surplus brought forward		978,691,712	901,428,667
<b>Accumulated surplus carried forward</b>		<b>969,415,268</b>	<b>978,691,712</b>

# Notes to the Financial Statements

For the financial year ended 31 March 2016

## 1. Principal Activities

The Edusave Endowment Fund was established on 1 January 1993 under the Education Endowment and Savings Schemes Act, Chapter 87A. The income generated by the Fund is to be used for the following purposes:

- (i) the provision of contributions and additional income to the Edusave Pupils Fund;
- (ii) the provision of Edusave grants to Government and Government-aided schools; junior colleges and centralised institute; independent schools and institutions; specialised schools and Government-supported special education schools; and the Institute of Technical Education (ITE);
- (iii) the provision of Edusave scholarships, bursaries and awards to full-time students in Government and Government-aided schools; junior colleges and centralised institute; independent schools and institutions; specialised schools and Government-supported special education schools; and the Institute of Technical Education (ITE); and
- (iv) such other purposes authorised under the Act.

## 2. Basis of Preparation

The financial statements, expressed in Singapore dollars, are prepared on a cash basis. On this basis, revenue is recognised when received rather than when earned and expenses are recognised when paid rather than when incurred.

## 3. Financial Year

FY 2015 relates to the financial year from 1 April 2015 to 31 March 2016. Correspondingly, FY 2014 relates to the financial year from 1 April 2014 to 31 March 2015.

## 4. Capital Fund

Capital Fund represents the contributions from the Consolidated Revenue Account of the Singapore Government. There was no contribution in FY 2015.

## 5. Balance Held by Accountant-General

Monies for the Edusave Endowment Fund are placed with the Accountant-General in an interest bearing account until disbursed in accordance with the Education Endowment and Savings Schemes Act.

## 6. Interest Income

This represents interest income earned and received from the balance placed with the Accountant-General. Interest rate for FY 2015 was 4% (FY 2014 – 4%) per annum.

## 7. Recovery of Unspent Opportunity Fund Grants

Opportunity Fund Grants were disbursed for use over three years and unspent balances were recovered at the end of the three-year cycle. In January 2013, Opportunity Fund Grants were disbursed to all eligible schools to be used up to December 2015. In December 2015, the unused balances of \$24,751,751 were received from schools as follows:

	<b>FY 2015 S\$</b>	<b>FY 2014 S\$</b>
Primary Schools	5,723,303	-
Special Education Schools	194,876	-
Secondary Schools	7,135,224	-
Independent and Specialised Schools	242,071	-
Junior Colleges/Centralised Institute	298,759	-
Independent Junior Colleges/Institution	120,965	-
Institute of Technical Education	1,746,945	-
Polytechnics	9,289,608	-
<b>Total amount recovered</b>	<b>24,751,751</b>	<b>-</b>

## 8. Recovery of Edusave Grant Reserves

To encourage schools to use the annual Edusave Grant allocation to benefit the current cohort of students, a cap of 6 months' allocation is imposed on the Edusave Grant reserves to be rolled over to the following year. In FY 2015, \$1,835,939 excess Edusave Grant reserves were recovered from schools as follows:

	<b>FY 2015 S\$</b>	<b>FY 2014 S\$</b>
Primary Schools	958,312	539,199
Special Education Schools	12,306	8,307
Secondary Schools	779,370	603,728
Independent and Specialised Schools	76,820	1,320
Junior Colleges/Centralised Institute	9,131	21,341
<b>Total amount recovered</b>	<b>1,835,939</b>	<b>1,173,895</b>

## 9. Recovery of Unspent Edusave Grant for Information Communication Technology Balances

In July 2010, a one-off Edusave Grant for Information Communication Technology was disbursed to all eligible schools to be used up till December 2014, and unused balances were recovered in FY 2014.

	FY 2015 S\$	FY 2014 S\$
Primary Schools	-	171,003
Secondary Schools	-	37,780
Junior Colleges/Centralised Institute	-	5,301
Independent Junior Colleges/Institution	-	59,620
<b>Total amount recovered</b>	-	<b>273,704</b>

## 10. Contribution to Edusave Accounts

The contribution to Edusave accounts represents payments made to Singapore Citizen students studying at primary or secondary level in MOE-funded schools. From FY 2014, contribution was extended to all Singapore Citizen children aged 7 to 16 who are not enrolled in any MOE-funded schools. Those aged 7 to 12 receive the quantum applicable to primary level students, and those aged 13 to 16 receive the quantum applicable to secondary level students. The rate of contribution to each account for 2016 was \$200 (2015: \$200) for primary level students and \$240 (2015: \$240) for secondary level students. In addition, all Singapore Citizen children eligible for Edusave Contribution in 2015 were given a one-off top up of \$150 each in September 2015. During the financial year, contributions were paid into the Edusave accounts of 392,999 children (FY 2014 –399,337).

## 11. Edusave Scholarships

The scholarships are given to encourage Singapore Citizen students to excel in their studies and were disbursed as follows:

	FY 2015 S\$	FY 2014 S\$
Primary Schools	2,192,400	2,304,400
Secondary Schools	6,819,000	6,973,500
Independent Schools	19,456,965	19,671,571
	28,468,365	28,949,471
Less:		
Refund of unclaimed scholarships	(14,700)	(13,950)
<b>Total</b>	<b>28,453,665</b>	<b>28,935,521</b>

## 12. Edusave Merit Bursaries

These bursaries are given to Singapore Citizen students from lower and lower-middle income families to motivate them to excel and were disbursed as follows:

	<b>FY 2015</b> <b>S\$</b>	<b>FY 2014</b> <b>S\$</b>
Primary Schools	2,402,700	2,222,000
Secondary Schools	3,928,750	3,853,600
Junior Colleges/Centralised Institute	706,800	708,000
Institute of Technical Education	1,849,500	1,709,750
Community Education Award Scheme	784,075	858,207
Edusave Merit Bursaries [late cases]	35,550	13,050
	<b>9,707,375</b>	<b>9,364,607</b>
Less:		
Refund of unclaimed bursaries	(10,800)	(7,700)
<b>Total</b>	<b>9,696,575</b>	<b>9,356,907</b>

## 13. Edusave Good Progress Awards

These awards are given to Singapore Citizen students who have made significant improvements in their academic performance and were disbursed as follows:

	<b>FY 2015</b> <b>S\$</b>	<b>FY 2014</b> <b>S\$</b>
Primary Schools	1,890,850	1,946,400
Secondary Schools	2,427,800	2,472,000
Junior Colleges/Centralised Institute	473,250	494,500
Institute of Technical Education	797,200	790,950
	<b>5,589,100</b>	<b>5,703,850</b>
Less:		
Co-Funding by Peoples' Association	(570,245)	(576,330)
Refund of unclaimed awards	(62,950)	(65,350)
<b>Total</b>	<b>4,955,905</b>	<b>5,062,170</b>

#### 14. Edusave Awards for Achievement, Good Leadership and Service

These awards are given to Singapore Citizen students for their leadership quality, service to the community and schools, and achievements in non-academic areas and were disbursed as follows:

	<b>FY 2015 S\$</b>	<b>FY 2014 S\$</b>
Primary Schools	2,398,000	2,509,000
Secondary Schools	5,369,350	5,462,450
Junior Colleges/Centralised Institute	1,048,000	1,092,000
Institute of Technical Education	1,368,500	1,303,300
	10,183,850	10,366,750
Less:		
Refund of unclaimed awards	(38,850)	(35,850)
<b>Total</b>	<b>10,145,000</b>	<b>10,330,900</b>

#### 15. Edusave Character Awards

From 2012, these awards are given to Singapore Citizen students who demonstrate exemplary character and outstanding personal qualities through their behaviour and actions and were disbursed as follows:

	<b>FY 2015 S\$</b>	<b>FY 2014 S\$</b>
Primary Schools	1,168,750	1,172,650
Secondary Schools	1,568,500	1,585,500
Junior Colleges/Centralised Institute	258,000	260,500
Institute of Technical Education	274,000	259,000
	3,269,250	3,277,650
Less:		
Refund of unclaimed awards	(10,150)	(6,400)
<b>Total</b>	<b>3,259,100</b>	<b>3,271,250</b>



**16. Achievement Awards for Special Education Students**

From 2010, grants were disbursed to Government-supported special education schools to fund awards for Singapore Citizen students to recognise their achievements and progress and to motivate them to excel. The grants for the awards were computed based on the total Singapore Citizen enrolment aged 6 and above for each special education school and unspent grants were recovered at the end of the year.

	<b>FY 2015 S\$</b>	<b>FY 2014 S\$</b>
Grants disbursed	503,900	493,400
Less:		
Refund of unspent grants	(39,411)	(43,784)
<b>Total</b>	<b>464,489</b>	<b>449,616</b>

**17. Edusave Grants**

Edusave grants are given to Government and Government-aided schools; junior colleges and centralised institute; independent schools and institutions; specialised schools and Government-supported special education schools; and the Institute of Technical Education (ITE) to be used to advance teaching and learning. They are disbursed to schools in January and July each year at rates based on enrolment and the academic level of the students. The amounts disbursed during the financial year were as follows:

	<b>FY 2015 S\$</b>	<b>FY 2014 S\$</b>
Primary Schools		
- Payment in July	5,881,150	5,918,700
- Payment in January	6,017,075	5,985,100
Special Education Schools		
- Payment in July	154,415	151,025
- Payment in January	170,708	149,965
Secondary Schools		
- Payment in July	7,338,150	7,389,090
- Payment in January	7,478,820	7,698,330
Independent and Specialised Schools		
- Payment in July	816,485	803,440
- Payment in January	946,165	790,885
Junior Colleges/ Centralised Institute		
- Payment in July	1,271,340	1,447,440
- Payment in January	1,360,620	1,468,380
Independent Junior Colleges/ Institution		
- Payment in July	374,580	398,520
- Payment in January	211,446	392,580
Institute of Technical Education		
- Payment in July	1,467,350	1,415,350
- Payment in January	1,314,000	1,266,650
<b>Total</b>	<b>34,802,304</b>	<b>35,275,455</b>

**18. Opportunity Fund Grants**

Since 2006, Opportunity Fund grants have been given to Government and Government-aided schools; junior colleges and centralised institute; independent schools and institutions; specialised schools and Government-supported special education schools; and the Institute of Technical Education (ITE) to be used to level up co-curricular development opportunities for Singapore Citizen students from low income households. In 2013, it was extended to Polytechnics. The grants are disbursed to the schools and institutions based on enrolment to be used over three years, and adjustments are made yearly to take into account fluctuation in enrolment. In January 2016, 70% of the three-year grant was disbursed to schools. The grants paid/(refunded) were as follows:

	<b>FY 2015</b> <b>S\$</b>	<b>FY 2014</b> <b>S\$</b>
Primary Schools		
- Payment/(Refund) in July	(126,371)	(222,076)
- Payment/(Refund) in January	11,973,639	(46,275)
Special Education Schools		
- Payment/(Refund) in July	(7,903)	55,928
- Payment/(Refund) in January	396,373	(8,740)
Secondary Schools		
- Payment/(Refund) in July	(336,368)	(627,228)
- Payment in January	15,713,208	-
Independent and Specialised Schools		
- Payment in July	8,986	51,650
- Payment/(Refund) in January	1,009,932	(20,014)
Junior Colleges/Centralised Institute		
- Payment/(Refund) in July	(64,694)	(44,196)
- Payment in January	948,724	-
Independent Junior Colleges/Institution		
- Payment/(Refund) in July	(2,122)	5,204
- Payment/(Refund) in January	281,412	(180)
Institute of Technical Education		
- Payment in July	-	-
- Payment in January	6,386,880	-
Polytechnics		
- Payment/(Refund) in July	-	(44,800)
- Payment in January	15,699,860	-
<b>Total</b>	<b>51,881,556</b>	<b>(900,727)</b>

**19. Development & Operating Expenditure**

	<b>FY 2015 S\$</b>	<b>FY 2014 S\$</b>
a) Development Expenditure:		
- Edusave Awards Selection and Administration System	36,647	85,370
- Integrated Billing, Edusave and Collection System	-	873,593
<b>Total development expenditure</b>	<b>36,647</b>	<b>958,963</b>
b) Operating Expenditure:		
- System maintenance cost	249,985	244,945
- Edusave Pupils Fund agency charges	31,079	31,679
- Edusave Unit's manpower cost	432,215	313,986
- Printing and stationery	259,184	281,848
- Auditors' remuneration	10,315	10,315
- General expenses	117,012	5,213
<b>Total operating expenditure</b>	<b>1,099,790</b>	<b>887,986</b>
<b>Total</b>	<b>1,136,437</b>	<b>1,846,949</b>

The increase in operating expenditure for FY 2015 was due mainly to an additional headcount at the Edusave Unit and the postage cost for sending letters notifying parents on the Edusave top-up of \$150 to all Singapore Citizen children.

# EDUSAVE PUPILS FUND

(A Fund established under the Education Endowment and Savings Schemes Act, Chapter 87A)

## FINANCIAL STATEMENTS

For the financial year ended 31 March 2016



# EDUSAVE PUPILS FUND

(A Fund established under the Education Endowment and Savings Schemes Act, Chapter 87A)

## FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

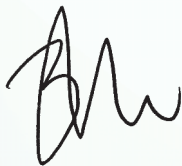
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# STATEMENT BY MANAGEMENT

For the financial year ended 31 March 2016

In the opinion of Management, the accompanying financial statements as set out on pages 42 to 46 are drawn up in accordance with the provisions of the Education Endowment and Savings Schemes Act, Chapter 87A so as to give a true and fair view of the state of affairs of the Edusave Pupils Fund as at 31 March 2016, and the income and expenditure and movement in members' accounts for the financial year ended 31 March 2016.



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**MS GOH WAN LEE**

*Director/Financial Schemes, Systems & Services*

MINISTRY OF EDUCATION

DATE: 09 MAY 2016



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**MR NEO KIAN HONG**

*Permanent Secretary/Education Development*

MINISTRY OF EDUCATION

DATE: 09 MAY 2016

# INDEPENDENT AUDITOR'S REPORT TO THE MANAGEMENT OF EDUSAVE PUPILS FUND

For the financial year ended 31 March 2016

## **Report on the Financial Statements**

We have audited the accompanying financial statements of Edusave Pupils Fund (the "Fund"), which comprise the balance sheet of the Fund as at 31 March 2016, and the income and expenditure statement and movement of members' accounts, for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 42 to 46.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Education Endowment and Savings Schemes Act, Chapter 87A (the "Act"), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition, and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair income and expenditure statements, movement of members' accounts and balance sheets and to maintain accountability of assets.

The Edusave Pupils Fund's policy is to prepare the financial statements on the cash receipts and disbursement basis. On this basis, revenue is recognised when received rather than when earned and expenses are recognised when paid rather than when incurred.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act so as to give a true and fair view of the state of affairs of the Fund as at 31 March 2016 and the results of the Fund for the financial year ended on that date.

**Report on Other Legal and Regulatory Requirements**

In our opinion, the accounting and other records required by the Act to be kept including records of all assets by the Fund have been properly kept in accordance with the provisions of the Act; and the receipts, expenditure and investment of monies and the acquisition and disposal of assets on account of the Fund during the financial year have been in accordance with the provisions of the Act.



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**AUDIT ALLIANCE LLP**

*Public Accountants and Chartered Accountants*

SINGAPORE

DATE: 09 MAY 2016

# Balance Sheet

As at 31 March 2016

	<b>31 March 2016</b> <b>S\$</b>	<b>31 March 2015</b> <b>S\$</b>
Members' accounts	287,741,935	221,345,653
Accumulated surplus	14,751,772	14,111,211
<b>Total Fund and Surplus</b>	<b>302,493,707</b>	<b>235,456,864</b>
<b>Represented By:</b>		
Deposits placed with the Monetary Authority of Singapore	302,309,993	235,279,106
Cash at bank	183,714	177,758
<b>Total Assets</b>	<b>302,493,707</b>	<b>235,456,864</b>

# Income and Expenditure Statement

For the financial year ended 31 March 2016

	Note	FY 2015 S\$	FY 2014 S\$
<b>INCOME</b>			
Interest income			
- Deposits placed with Monetary Authority of Singapore	4	5,605,805	5,114,140
- Cash at bank		3,092	543
		5,608,897	5,114,683
<b>EXPENDITURE</b>			
Interest credited to members' accounts	5	4,968,336	4,478,842
Surplus for the year		640,561	635,841
Accumulated surplus brought forward		14,111,211	13,475,370
<b>Accumulated surplus carried forward</b>		<b>14,751,772</b>	<b>14,111,211</b>

# Movement of Members' Accounts

For the financial year ended 31 March 2016

	Note	FY 2015 S\$	FY 2014 S\$
<b>RECEIPTS</b>			
Interest credited to members' accounts	5	4,968,336	4,478,842
Contributions from the Edusave Endowment Fund	6	150,246,691	86,628,803
		155,215,027	91,107,645
<b>PAYMENTS</b>			
Withdrawals of deceased members' balances		43,650	24,853
Withdrawals for approved fees and programme charges	7	68,249,744	73,154,220
Transfer to Post-Secondary Education accounts	8	20,525,351	22,885,683
		88,818,745	96,064,756
Net increase/(decrease) in members' accounts for the year		66,396,282	(4,957,111)
Members' Accounts at beginning of the year		221,345,653	226,302,765
<b>Members' Accounts at end of the year</b>		<b>287,741,935</b>	<b>221,345,653</b>

# Notes to the Financial Statements

For the financial year ended 31 March 2016

## 1. Principal Activities

The Edusave Pupils Fund was established on 1 January 1993 under the Education Endowment and Savings Schemes Act, Chapter 87A and is administered by the Central Provident Fund ("CPF") Board in accordance with Section 7 of the Act. From November 2014, the Act was amended for Edusave Scheme Administrator, appointed by the Minister for Education, to administer the Edusave Pupils Fund on behalf of the Minister.

In accordance with Section 8 of the Act, every child who is a citizen of Singapore and satisfies such other requirements as may be prescribed shall become a member of the Edusave Pupils Fund.

The Edusave Pupils Fund receives contributions from the Edusave Endowment Fund which are credited to the Edusave accounts of eligible Singapore Citizen children. The Edusave Pupils Fund earns an interest rate pegged to the Central Provident Fund Ordinary Account rate, and interest earned is used to pay members at the same rate. The monies can be withdrawn for use on enrichment programmes organised by schools or education providers, payment of second-tier miscellaneous fees, autonomous schools fees and other approved fees and such other purposes authorised under the Act.

## 2. Basis of Preparation

The financial statements, expressed in Singapore dollars, are prepared on a cash basis. On this basis revenue is recognised when received rather than when earned and expenses are recognised when paid rather than when incurred.

## 3. Financial Year

FY 2015 relates to the financial year from 1 April 2015 to 31 March 2016. Correspondingly, FY 2014 relates to the financial year from 1 April 2014 to 31 March 2015.

## 4. Interest Income

This represents interest income earned and received from the balance placed with the Monetary Authority of Singapore. Interest rate for FY 2015 was 2.5% (FY 2014 - 2.5%) per annum.

## 5. Interest Credited to Members' Accounts

This represents interest paid to members' accounts for unutilised credit balances calculated using CPF's Ordinary Account interest rate of 2.5% (FY 2014 – 2.5%) per annum.

## 6. Contribution from the Edusave Endowment Fund

The contribution to Edusave accounts represent monies received from the Edusave Endowment Fund for Singapore Citizen students studying at primary or secondary level in MOE-funded schools. From FY 2014, contribution was extended to all Singapore Citizen children aged 7 to 16 who are not enrolled in any MOE-funded schools. Those aged 7 to 12 receive the quantum applicable to primary level students, and those aged 13 to 16 receive the quantum applicable to secondary level students. The rate of contribution to each account for 2016 was \$200 (2015: \$200) for primary level students and \$240 (2015: \$240) for secondary level students. In addition, all Singapore Citizen children eligible for Edusave Contribution in 2015 were given a one-off top up of \$150 each in September 2015. During the financial year, contributions were paid into the Edusave accounts of 392,999 children (FY 2014 – 399,337).

## 7. Withdrawals for Approved Fees and Programme Charges

	FY 2015 S\$	FY 2014 S\$
Enrichment programme charges	37,914,020	42,143,083
Approved fees	30,335,724	31,011,137
<b>Net Total Withdrawals</b>	<b>68,249,744</b>	<b>73,154,220</b>

## 8. Transfer to Post-Secondary Education Accounts

Under Section 16A of the Act, Edusave balances of members would be transferred to their Post-Secondary Education accounts in the year they turn 17 years old and are not studying in a MOE-funded school. During the financial year, the Edusave balances of 45,417 (FY 2014: 46,060) members were transferred to their Post-Secondary Education accounts.

# POST-SECONDARY EDUCATION FUND

(A Fund established under the Education Endowment and  
Savings Schemes Act, Chapter 87A)

## FINANCIAL STATEMENTS

For the financial year ended 31 March 2016



# POST-SECONDARY EDUCATION FUND

(A Fund established under the Education Endowment and Savings Schemes Act, Chapter 87A)

## FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

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# STATEMENT BY MANAGEMENT

For the financial year ended 31 March 2016

In the opinion of Management, the accompanying financial statements as set out on pages 52 to 57 are drawn up in accordance with the provisions of the Education Endowment and Savings Schemes Act, Chapter 87A so as to give a true and fair view of the state of affairs of the Post-Secondary Education Fund as at 31 March 2016, and the income and expenditure and movement in members' accounts for the financial year ended 31 March 2016.



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**MS GOH WAN LEE**

*Director/Financial Schemes, Systems & Services*

MINISTRY OF EDUCATION

DATE: 09 MAY 2016



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**MR NEO KIAN HONG**

*Permanent Secretary/Education Development*

MINISTRY OF EDUCATION

DATE: 09 MAY 2016

# INDEPENDENT AUDITOR'S REPORT TO THE MANAGEMENT OF POST-SECONDARY EDUCATION FUND

For the financial year ended 31 March 2016

## Report on the Financial Statements

We have audited the accompanying financial statements of Post-Secondary Education Fund (the "Fund"), which comprise the balance sheet of the Fund as at 31 March 2016, and the income and expenditure statement and movement of members' accounts, for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 52 to 57.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Education Endowment and Savings Schemes Act, Chapter 87A (the "Act"), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition, and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair income and expenditure statements, movement of members' accounts and balance sheets and to maintain accountability of assets.

The Post-Secondary Education Fund's policy is to prepare the financial statements on the cash receipts and disbursements basis. On this basis, revenue is recognised when received rather than when earned and expenses are recognised when paid rather than when incurred.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act so as to give a true and fair view of the state of affairs of the Fund as at 31 March 2016 and the results of the Fund for the financial year ended on that date.

**Report on Other Legal and Regulatory Requirements**

In our opinion, the accounting and other records required by the Act to be kept including records of all assets by the Fund have been properly kept in accordance with the provisions of the Act; and the receipts, expenditure and investment of monies and the acquisition and disposal of assets on account of the Fund during the financial year have been in accordance with the provisions of the Act.



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**AUDIT ALLIANCE LLP**

*Public Accountants and Chartered Accountants*

SINGAPORE

DATE: 09 MAY 2016

# Balance Sheet

As at 31 March 2016

	<b>31 March 2016</b> <b>S\$</b>	<b>31 March 2015</b> <b>S\$</b>
Members' accounts	1,476,251,261	1,369,336,448
Accumulated surplus	1,199,909	1,042,319
<b>Total Fund and Surplus</b>	<b>1,477,451,170</b>	<b>1,370,378,767</b>
<b>Represented By:</b>		
Deposits placed with the Central Provident Fund Board	1,472,729,761	1,352,763,033
Balance held by Accountant-General	4,721,409	17,615,734
<b>Total Assets</b>	<b>1,477,451,170</b>	<b>1,370,378,767</b>

# Income and Expenditure Statement

For the financial year ended 31 March 2016

	Note	FY 2015 S\$	FY 2014 S\$
<b>INCOME</b>			
Interest income	4	34,809,269	33,334,854
<b>EXPENDITURE</b>			
Interest credited to members' accounts	5	34,651,679	33,204,325
Surplus for the year		157,590	130,529
Accumulated surplus brought forward		1,042,319	911,790
<b>Accumulated surplus carried forward</b>		<b>1,199,909</b>	<b>1,042,319</b>

# Movement of Members' Accounts

For the financial year ended 31 March 2016

	Note	FY 2015 S\$	FY 2014 S\$
<b>RECEIPTS</b>			
Interest credited to members' accounts	5	34,651,679	33,204,325
Balances transferred from			
- Child Development Accounts	6	107,554	136,129
- Edusave Accounts	7	20,525,351	22,885,683
Contributions from members		282,212	198,453
Matching contributions from Government		272,336	222,478
Grants from Government	8	79,538,950	9,100
National Service Housing, Medical and Education Awards Grants	9	67,449,126	66,751,226
		202,827,208	123,407,394
<b>PAYMENTS</b>			
Withdrawals of members' balances		463,977	396,059
Withdrawals for approved fees and programme charges	10	94,797,458	86,055,866
Transfer to Central Provident Fund Ordinary Accounts	11	650,960	269,384
		95,912,395	86,721,309
Net increase in members' accounts for the year		106,914,813	36,686,085
Members' Accounts at beginning of the year		1,369,336,448	1,332,650,363
<b>Members' Accounts at end of the year</b>		<b>1,476,251,261</b>	<b>1,369,336,448</b>

# Notes to the Financial Statements

For the financial year ended 31 March 2016

## 1. Principal Activities

The Post-Secondary Education (PSE) Fund was established on 1 January 2008 under the Education Endowment and Savings Schemes Act, Chapter 87A. In accordance with Section 16B of the Act, every child who is a citizen of Singapore and satisfies such other requirements as may be prescribed shall become a member of the PSE Fund. The PSE Fund receives monies from the following sources:

- Balance transferred from Child Development Accounts
- Contributions from eligible members
- Matching contributions from Government
- Balance transferred from Edusave Accounts
- Grants from Government
- National Service Housing, Medical and Education Awards
- Interest income earned by the PSE Fund

Interest is paid on the amount standing to the credit of members at interest rates prescribed by the Minister for Education. The monies can be withdrawn to pay for approved fees and charges in approved institutions and such other purposes authorised under the Act.

## 2. Basis of Preparation

The financial statements, expressed in Singapore dollars, are prepared on a cash basis. On this basis revenue is recognised when received rather than when earned and expenses are recognised when paid rather than when incurred.

## 3. Financial Year

FY 2015 relates to the financial year from 1 April 2015 to 31 March 2016. Correspondingly, FY 2014 relates to the financial year from 1 April 2014 to 31 March 2015.

## 4. Interest Income

This represents interest income earned from the balance placed with the Central Provident Fund Board. Interest rate for FY 2015 was 2.5% (FY 2014 - 2.5%) per annum.

## 5. Interest Credited to Members' Accounts

This represents interest credited to members' accounts for unutilized credit balances calculated using CPF's Ordinary Account interest rate of 2.5% (FY 2014 - 2.5%) per annum.

## **6. Transfer from Child Development Accounts (CDA)**

Under Section 16A of the Act, the PSE accounts will receive the balances transferred from the CDA when the CDA are closed. From 1 January 2013, the CDA balances of members would be transferred to their PSE accounts in the year the children turn 13 years old. As a transitional arrangement, trustees of CDA children who were born between 2006 and 2012 may request for the CDA balances to be transferred to PSE accounts anytime in the years when the members are between 7 and 12 years old. In FY 2015, the CDA balances of 135 (FY 2014 - 47) children were transferred to their PSE accounts.

## **7. Transfer from Edusave Accounts**

Under Section 16A of the Act, the PSE accounts will receive the balances transferred from the Edusave accounts when the Edusave accounts are closed. The Edusave balances of members would be transferred to their PSE accounts in the year they turn 17 years old and are not studying in a MOE-funded school. In FY 2015, the Edusave balances of 45,417 (FY 2014 - 46,060) members were transferred to their PSE accounts.

## **8. Grants from Government**

In FY 2015, government top-ups were given to 177,823 Singaporeans between the ages of 17 and 20. There were no top-up grants from Government in FY 2014. Grants from Government include Education Bursary grants for school-going children under the Home Ownership Plus Education Scheme.

## **9. National Service Housing, Medical and Education Awards**

The first tranche of the National Service Housing, Medical and Education (NS HOME) Awards, [previously known as the National Service Recognition Awards] for Singapore Citizens is deposited into the PSE accounts of eligible servicemen upon the completion of their full time National Service. In FY 2015, 21,351 (FY 2014 - 21,215) eligible servicemen received the NS HOME Award in their PSE accounts.



## 10. Withdrawals for Approved Fees and Programme Charges

	FY 2015 S\$	FY 2014 S\$
<b>Fees:</b>		
Tertiary Institutions	72,637,597	63,833,648
Institute of Technical Education	7,657,134	8,350,509
Special Education Schools	9,699	20,912
Workforce Skills Qualifications Continuing Education and Training Centres	4,613,670	3,752,837
	84,918,100	75,957,906
<b>Enrichment Programme Charges:</b>		
Tertiary Institutions	9,492,252	10,180,468
Institute of Technical Education	2,678,161	3,340,050
Special Education Schools	49,401	43,348
	12,219,814	13,563,866
Gross Total Withdrawals	97,137,914	89,521,772
Less: Refund of Withdrawals	(2,340,456)	(3,465,906)
<b>Net Total Withdrawals</b>	<b>94,797,458</b>	<b>86,055,866</b>

## 11. Transfer to Central Provident Fund Ordinary Accounts

Under Section 16E of the Act, a PSE account member's account balance will be automatically transferred to his CPF Ordinary Account when he attains the age of 30 years. In FY 2015, the balances of 202 (FY 2014 – 79) members were transferred to their CPF Ordinary Accounts.